



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 5/10/2004

GAIN Report Number: IN4044

India

Cotton and Products

Cotton Voluntary

2004

Approved by:

Chad R. Russell

U.S. Embassy, FASNEWDELHI

Prepared by:

Santosh Kr. Singh

Report Highlights:

Post raised its 2003/04 cotton production estimate to 16.6 million bales (170 kg Indian bales) on strong end-season market arrivals. Based on the latest monthly cotton import figures compiled by the Textile Commissioner's Office, 2001/02 and 2002/03 cotton import estimates have been revised to 3.06 million bales and 1.56 million bales, respectively.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Unscheduled Report
New Delhi [IN1]
[IN]

SECTION I: SITUATION AND OUTLOOK

Note: All figures in the narrative are in 170 kg bales, unless mentioned otherwise.

2003/04 Production Raised

The marketing year (MY) cotton production has been raised to 16.6 million bales based on continued strong late-season market arrivals. Market arrivals through May 1, 2004, reached 16.2 million bales, as compared to 12.5 million bales for the corresponding period last year. The continued strong pace of market arrivals in March/April corroborates higher production. Market sources report that farmers were holding cotton in expectation of realizing higher end season prices. Consequently, late season arrivals have been strong, particularly in the central states of Gujarat and Maharashtra. The Cotton Advisory Board is currently estimating the crop at 16.75 million bales, which may be subject to change based on the actual pressing figures compiled by East India Cotton Association.

Market arrivals by state (in million bales) with previous year figures in parenthesis are: Punjab 1.03 (0.74); Haryana 1.07 (0.83); Rajasthan 0.74 (0.45); Gujarat 4.55 (2.85); Maharashtra 2.84 (2.02); Madhya Pradesh 1.58 (1.70); Andhra Pradesh 2.53 (1.85); Karnataka 0.36 (0.52); Tamil Nadu 0.30 (0.32); Others 0.1 (0.1); and loose cotton 1.08 (1.12).

MY 2001/02 and 2002/03 Imports Revised

Based on the monthly cotton import figures compiled by the Textile Commissioner's Office (see Table 3), MY 2001/02 and 2002/03 imports have been revised to 3.06 and 1.56 million bales, respectively. The Textile Commissioner's Office directly collected and compiled the monthly cotton import figures from the domestic textile mills (both organized and small scale sector). Industry sources believe that these statistics are more reliable since the information is collected from the end user mills. Industry believes that the monthly cotton import figures collected by Directorate General of Commercial Intelligence and Statistics have been erroneous due to misreporting problems, such as:

- (i) Due to delay in getting information from the Ports, actual arrivals during the month gets reported in later months.
- (ii) Cotton import arrivals from all the Ports of entry are not reported.

Section II - STATISTICAL TABLES

Table 1: Commodity, Cotton, PSD (metric tons)

PSD Table							
Country:	India						
Commodity:	Cotton	(HECTARES)		(METRIC TONS)			
		2001		2002		2003	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		Aug-01		Aug-02		Aug-03	(MONTH/YEAR)
Area Planted	8730000	8730000	7600000	7572000	8000000	8000000	(HECTARES)
Area Harvested	8730000	8730000	7600000	7572000	8000000	8000000	(HECTARES)
Beginning Stocks	821482	821482	1020702	1115994	726771	782089	METRIC TONS
Production	2678037	2678036	2307901	2307901	2743355	2822000	METRIC TONS
Imports	424567	519860	304817	264860	217727	217727	METRIC TONS
TOTAL SUPPLY	3924086	4019378	3633420	3688755	3687853	3821816	METRIC TONS
Exports	13064	13064	10886	10886	130636	87091	METRIC TONS
USE Dom. Consumption	2686320	2686320	2691763	2664070	2626446	2609500	METRIC TONS
Loss Dom. Consumption	204000	204000	204000	231710	204000	221000	METRIC TONS
TOTAL Dom. Consumption	2890320	2890320	2895763	2895780	2830446	2830500	METRIC TONS
Ending Stocks	1020702	1115994	726771	782089	726771	904225	METRIC TONS
TOTAL DISTRIBUTION	3924086	4019378	3633420	3688755	3687853	3821816	METRIC TONS

Note: Production figures for MY 2001, 2002, 2003, include 1.0 million bales (170 kgs), 1.15 million bales and 1.1 million bales of loose cotton respectively.

Table 2: Commodity, Cotton, PSD (480 bales)

PSD Table							
Country:	India				Conversion	0.004593	
Commodity:	Cotton						
		2001		2002		2003	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		08/2001		08/2002		08/2003	(MONTH/YEAR)
Area Planted	8730000	8730000	7600000	7572000	8000000	8000000	(HECTARES)
Area Harvested	8730000	8730000	7600000	7572000	8000000	8000000	(HECTARES)
Beginning Stocks	3773	3773	4688	5126	3338	3592	1,000 480lb bales
Production	12300	12300	10600	10600	12600	12961	1,000 480lb bales
Imports	1950	2388	1400	1216	1000	1000	1,000 480lb bales
TOTAL SUPPLY	18023	18461	16688	16942	16938	17553	1,000 480lb bales
Exports	60	60	50	50	600	400	1,000 480lb bales
USE Dom. Consumption	12338	12338	12363	12236	12063	11985	1,000 480lb bales
Loss Dom. Consumption	937	937	937	1064	937	1015	1,000 480lb bales
TOTAL Dom. Consumption	13275	13275	13300	13300	13000	13000	1,000 480lb bales
Ending Stocks	4688	5126	3338	3592	3338	4153	1,000 480lb bales
TOTAL DISTRIBUTION	18023	18461	16688	16942	16938	17553	1,000 480lb bales

Note: Production figures for MY 2001, 2002, 2003, include 1.0 million bales (170 kgs), 1.15 million bales and 1.1 million bales of loose cotton respectively.

Table 3: Area, Production & Yield of Cotton in Major States
(Area Tha, Production Thousand bales of 170 kgs, Yield kgs/ha)

							Final	Provisional	Revised
STATE		1996/97	1997/98	1998/99	1999/2000	2000/01	2001/02	2002/03	2003/04
Maharashtra	Area	3085	3139	3199	3254	3077	2980	2799	2800
	Production	3300	2150	2650	3650	2050	3425	2400	3000
	Yield	182	116	141	191	113	195	146	182
Gujarat	Area	1484	1519	1607	1516	1615	1687	1498	1680
	Production	3425	4200	4750	2850	2400	3250	3050	4600
	Yield	392	470	502	320	253	328	346	465
M.P.	Area	527	517	501	525	506	623	550	590
	Production	1875	2250	1875	1550	1750	2000	1800	1580
	Yield	605	740	636	502	588	546	556	455
Punjab	Area	742	727	562	475	474	600	425	530
	Production	1600	725	500	800	900	925	800	1050
	Yield	367	170	151	286	323	262	320	337
Haryana	Area	649	638	582	546	555	610	535	550
	Production	1350	900	700	1050	1000	550	850	1080
	Yield	354	240	204	327	306	153	270	334
Rajasthan	Area	654	645	645	583	510	347	335	290
	Production	1400	1100	1150	1300	1050	700	450	740
	Yield	364	290	303	379	350	343	228	434
A.P.	Area	1007	898	1278	1040	1022	1002	900	850
	Production	2650	2550	2500	2200	2500	2675	2000	2550
	Yield	447	483	333	360	416	454	378	510
Karnataka	Area	668	518	608	600	560	591	362	400
	Production	900	750	875	800	800	700	600	400
	Yield	229	246	245	227	243	201	282	170
T.N.	Area	260	247	243	185	193	200	115	230
	Production	550	500	550	550	550	500	400	400
	Yield	360	344	385	505	484	425	591	296
Others	Area	46	56	62	67	64	90	53	80
	Production	100	100	125	150	100	75	100	100
	Yield	370	304	343	381	266	142	321	213
All-India	Area	9122	8904	9287	8791	8576	8730	7572	8000
	Production	17150	15225	15675	14900	13100	14800	12450	15500
	Yield	320	291	287	288	260	288	280	329

Note: Production figures for 1996/97 – 2003/04 in the PS&D includes loose cotton estimates.

Table 4: India's Monthly Import of Raw Cotton*
(figures in 100,000 Indian bales)

	2001/02	2002/03	2003/04
August	4.01	1.38	1.94
September	3.93	1.24	2.77
October	3.64	1.83	1.64
November	3.26	1.28	0.73
December	3.46	0.86	0.71
January	2.53	0.86	
February	2.60	1.03	
March	1.15	1.04	
April	1.38	0.84	
May	0.93	1.31	
June	1.67	1.72	
July	2.02	2.19	
Total	30.58	15.58	7.79

Note: *Import figures as reported by the end-user cotton textile mills.

Source: The Textile Commissioner's Office, GOI.